



European Federation of Local Energy Companies  
Confédération Européenne des Entreprises Locales d'Énergie

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## **ERGEG Public Consultation**

### **Draft Advice on Customer Complaint Handling, Reporting and Classification** (ERGEG consultation paper – Ref E09-CEM-26-03 – 17 September 2009)

## **CEDEC Position Paper**

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CEDEC defends, at European level, the interests of local energy companies.

CEDEC represents 1500 companies with a total turnover of about 100 billion Euros, and more than 250.000 employees. Together, they serve 60 million electricity and gas customers.

These predominantly medium-sized local energy companies have developed activities as electricity and heat generators, electricity and gas distribution grid operators and suppliers, and are of considerable importance for regional economic development.

CEDEC attaches great importance to this public consultation and the recommendations on complaints regarding household customers from suppliers and DSOs.

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### **DEFINITION of customer complaint**

Clarification is needed on the distinction between explicit and implicit complaints, especially since an implicit complaint supposes a – by definition subjective - interpretation of a service agent.

### **RECOMMANDATIONS to service providers**

#### “3.1.1. Information on the bill”

Recommendations 1 (contact details of customer service) & 2 (contact information on dispute settlement authority - DSA) seem logic.

The invoice should in general stay transparent and easily understandable, for which we refer also to the recommendations that were developed in the framework of the Citizen's Energy Forum.

Confusion on which party to contact should be avoided. Therefore, if a priority has to be given, should it be to the normal or to the alternative DSA ?

### "3.1.2.Choice of the complaint channel"

*Recommendation 3 : more than 1 channel must be available.(...)*

A physical point of contact, allowing the customer to submit a complaint in person, seems advisable.

However, face to face contact can also represent a market entry barrier if the head offices lie far distant from the customer.

### "3.1.3. Statutory complaint handling standards - shared by all service providers"

*Recommendation 4 recommends common standards for electricity and gas service providers. (...)*

Generally, competition arises in the area of price and / or service quality.

In a competitive market, providers with better customer service have a feature which can give them a competitive advantage. And every customer has the possibility of selecting his supplier completely according to his needs and preferences.

Comparison of service quality among service providers makes part of the philosophy of competition that is at the basis of the internal energy market.

IF NRAs set up these standards, it should always be done in consultation with the stakeholders and especially the service providers, as the result has to be cost-efficient and compatible with existing back office infrastructure (current complaint handling procedures & corresponding IT-systems).

Lead times to deal with a complaint, distinguish between the first answer or acknowledgement (within 1day) and the final answer (within 2 months).

In the case of complaints by letter or fax, the proposed response period of one day is not always realistically feasible. An obligatory response within one day can create costs if extensive investigations are necessary.

A good balance should be found between customer rights and efficiency principles.

The use of a common classification of the complaints for registration of the complaint, should be optional.

#### “3.1.4. Service providers’ redress schemes”

*Recommendation 5 : Redress schemes allow compensation in defined cases. (...)*

The amount or level of compensation and the cases in which it applies, has to be left to subsidiarity, given the divergence between the characteristics of markets and networks.

#### “3.1.5. Compliance with recommendations of the alternative dispute settlement body

*Recommendation 6 : Service providers should follow the recommendations. (...)*

A recommendation of an alternative DSB can indeed contribute to the clarification of duties and responsibilities of the involved market actors.

However, this recommendation 6 is surprising as the fundamental difference between DSA and alternative DSB is the binding character of the recommendations. Obliging service providers to follow the recommendations of the alternative DSB, makes them binding, and thus creates a duplication of the task of DSA and alternative DSBs.

Recommendations of the alternative dispute settlement body must be non-binding.

#### “3.1.6. Complaint data collection by NRA”

*Recommendation 7 : Service provider should give NRA access to data on customer complaints. (...)*

The collection and forwarding of all complaint data is only possible with a complaint management system designed for that purpose, which will create high costs.

The results can only contribute to identify specific cases of market malfunctioning. The contribution to attaining knowledge about the stage of development of the market is regarded as doubtful. Moreover, it should be clear that a limited number of complaints does not necessarily mean that the market is not functioning, as was stated recently by ERGEG.

The use of a common classification of the complaints for registration of the complaint, should be optional, also depending on the current level of registration.

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## **RECOMMENDATIONS to third party bodies (alternative DSB, ombudsmen, consumer bodies)**

### “3.2.1. Single point of contact”

*Recommendation 8 :A single point of contact should deliver free information and advice on consumer issues. This service should be set by government or the NRA .(...)*

This service should be set preferably by Government.  
It must take into account that contact possibilities are facilitated for categories of customers with specific limited abilities and for vulnerable customers.

### “3.2.2. Prior contact with the service provider”

*Recommendation 9 : Before submitting a complaint, customers should first contact their service provider.(...)*

We consider this as a very important recommendation, giving the service provider the chance to solve the problem before the customer has to turn to an independent body.

### “3.2.6. Financial compensation to customers”

*Recommendation 13 : Customers whose complaint has been settled in their favour, should be allowed a fair compensation from their service provider.*

Although agreeing on the principle, the translation of “fair” into concrete measures has to be left to subsidiarity, in view of harmonisation with national specifications.

Moreover, compensation should only be given in case of clear responsibility of the service provider and with proven material damage for the consumer.

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